

House Appropriations Subcommittee on Defense Holds Hearing on the Proposed Fiscal 2013
Appropriations for the Navy and Marine Corps
March 1, 2012

YOUNG:

This afternoon the subcommittee will hold an open hearing on the posture and budget request of the Department of the Navy. We will focus on Navy and Marine Corps personnel, training, and equipment readiness and will also touch on acquisition issues to gain insights into the Department's priorities and decision making.

I would like to welcome Secretary of the Navy Raymond Mabus, Chief of Naval Operations Admiral Jonathan Greenert, and Assistant Commandant of the Marine Corps, General Joseph Dunford to the subcommittee. And I will explain that General Amos is a little bit disposed today, but he's OK.

While Secretary Mabus is a familiar face to the subcommittee, Admiral Greenert is making his first appearance in his new capacity as the 30th Chief of Naval Operations. Admiral, congratulations and welcome to you, sir.

Additionally, General Dunford is filling in for General Amos. As I said, with whatever extent he wants to explain that, we'll let the general be in charge of that. We welcome you, General Dunford. As you know, the Marine Corps has a very, very deep history and I'm sure General Amos can use this time to recover from some of that history that he's played a part in and know that the Marines are in very capable hands here today.

And I can say that without contradiction because I spent the morning with General Dunford and he performed extremely well on behalf of the Marine Corps at the Subcommittee on Military Construction.

I thank all of you for being here today. And I -- I think I speak safely for every member of this subcommittee in thanking you for your service to our great nation, the challenges that you have met over the years, really extremely proud of all of you and the troops that you command.

We're looking forward today to hearing how you were able to craft a workable budget for fiscal year 2013 with the constraints that were placed upon you with respect to the decreasing top line. We are especially anxious to hear how the Marine Corps is going to handle the force reductions that seem to be coming right on the heels of the recent force buildup.

We certainly do not want to break faith with any of our young Marines who have been performing so well and we're not going to turn our backs on them and send them along their way without having some plan to be of help and service to them.

Also of interest to the subcommittee is the apparent contradiction that we see in the shipbuilding program. When it was announced that the Department of Defense was increasing its focus on the Asia Pacific region, an increased naval presence immediately came to mind. Excuse me.

I was comforted in recalling Secretary Mabus' words to this subcommittee last year when he told us that the Navy would be building 57 ships over the period of 2013 to 2017, finally putting the Navy on pace to reach 300 ships. Now, when it would seem even more important to have a larger fleet, the Navy has actually decreased the number of ships planned for construction over that same period.

And the decrease is not small. The current number of ships planned for construction over the 2013 to 2017 time frame is 41 ships, a decrease of 16 ships from what was forecast last year. This is a 28 percent decrease from last year's number.

And I'm a little concerned about the contradiction of planning to use a smaller fleet to cover a larger portion of the globe. And I know that if it can be done you're going to do it, and I don't have any question about that. And I granted our new ships will be more capable but they can still only be in one place at a time. And I would think that in some respects, quantity itself is a capability.

However, as we have always done in the past, this subcommittee will work hard to ensure the Department of the Navy is ready and able to conduct the very important mission that you've been given or will be given. We understand as well as anybody that the most important component of your Department are the sailors and Marines that you have the privilege to lead and who sacrifice so much in defending our freedoms.

So again welcome. I look forward to your comments and an informative question and answer session. And now let me turn to my good friend and partner, former chairman of this subcommittee, the Ranking Member Mr. Dicks for any comments he would like to make.

DICKS:

Thank you, Mr. Chairman. I want to also welcome our witnesses today, especially Admiral Greenert in his first appearance as the CNO, and a special welcome to General Dunford who like a good deputy is stepping up to the plate when needed. Thanks to all of you for being here today. The Navy and Marine Corps find itself in an interesting place for fiscal year 2013. Both services are dealing with the logistics tail of the end of operations in Iraq, yet maintain and seek to expand upon our strong presence in the region. Concurrently, both are preparing for the eventual drawdown in Afghanistan which is slated for 2014 while maintaining current operations in an increasingly dangerous security environment.

The Navy and Marine Corps find themselves simultaneously expanding to new places such as Darwin, Australia and some familiar ones like the Philippines while winding down combat operations, reducing the size of the Marine Corps and resetting the forces in all areas of readiness, personnel, training, and equipment.

The committee looks forward to hearing your views on the new defense strategy and how it influenced the difficult budget decisions made for fiscal 2013, as well as in the out years.

We look forward to learning how the Navy and Marine Corps will be shaped to meet the renewed focus on the Asia Pacific region and continued focus on the Middle East. The new defense strategy places great responsibility on the Navy and Marine Corps as it acknowledges the strong historical presence you've had in the region during both wartime and in the period of peace.

However, while much of the focus in recent months has been on the budget process, we are now interested in how you are focusing on your returning sailors and Marines, particularly the wounded warriors and their families. This especially true in the Marine Corps where many returning Marines may wonder if there will be a place for them in the smaller corps.

We are also interested to learn how you are handling the disposition of equipment from Iran and Afghanistan, from Iraq and Afghanistan (inaudible), and let's hope not -- as well as setting the conditions for success for the next time the nation calls upon you to respond to a crisis somewhere in the world.

We want to hear about future ships and submarines, as well as aircraft you are developing and acquiring. We want to learn about the new programs you have proposed, programs you've decided you can do without, and the process of acquiring and shedding these programs. The constrained budget environment can force sufficiency, and out of painful decisions, new and better acquisition practices can result -- we hope. I look forward to hearing about those improvements.

In addition to all of this, we are eager to hear how you are focusing your efforts on the newest war fighting domain, cyber -- cyber offense and cyber defense. The threat is real and it has already affected how the military operates and thinks about future operations. The threat is pervasive. It is a concern not only for military operations and systems but also to protect the ideas and intellectual data that sets us apart from our adversaries.

We are eager to hear from you on these issues, on the decisions that influenced your 2013 budget and on other topics important to the Navy and Marine Corps. Again, thank you for appearing before the committee and thank you for your service to the nation.

YOUNG:

Mr. Dicks, Thank you very much.

Mr. Secretary, we're happy to hear from you. Your total statement will be placed in the record. You present it to us in any way that you would like, and we'll recognize you at this time, sir.

MABUS:

Thank you, Mr. Chairman, Ranking Member Dicks, distinguished members of this committee. As you pointed out, Mr. Chairman, the commandant of the Marine Corps is not with us today. He had a minor surgical procedure, although I think minor surgical procedures only happen to other people. Nothing that happens to you is minor. And I told him when I spoke to him that I thought he was being a little extreme in trying to avoid this hearing.

But I think that, I know that I have a wonderful representative from the Marine Corps in the Assistant Commandant of the Marine Corps, General Joe Dunford, and I'm very happy to be here with him today -- and with Admiral Jon Greenert, the Chief of Naval Operations.

The pride that the three of us and all the leadership of the Navy and Marine Corps take in leading the sailors, the marines, civilians and their families who selflessly serve the United States is exceeded only by the accomplishments of those selfless individuals.

Whatever is being asked of them by the American people through their commander-in-chief from Afghanistan to Libya, from assisting the stricken people of Japan, to assuring open seal lanes around the world, from bringing Osama Bin Laden to final justice, to bringing hostages out of where they may be hidden by terrorists or pirates, they answer the call and get the job done.

The CNO, the Commandant, the (inaudible) and I are confident that the United States Navy and Marine Corps are well prepared to meet the requirements of the new defense strategy, and maintain their status as the most formidable expeditionary fighting force the world has ever known. No one should doubt the ability, capability, or superiority of the Navy and Marine Corps team.

As we repositioned after two long ground wars, it was essential to review the basic strategic posture, the new guidance, developed under the leadership of the president and the Secretary of Defense with the full involvement, every service sector, every service chief responds to changes in global security.

The budget presented to implement the strategy which was also arise with full collaboration of all the services, assures that the Navy and Marine Corps be able to fully execute the strategy on meeting the constraints imposed by the Budget Control Act asked by Congress.

This new strategy, as you pointed out, Mr. Chairman, has an understandable focus on the western Pacific and the Arabian Gulf region. It has a maritime focus. It requires us to maintain our worldwide partnerships and our global presence using innovative, low cost, light footprint engagement.

It absolutely requires a Navy and Marine Corps team that is built and ready for any eventuality, on land, in the air, all and under the world's ocean, and in the vast cyber seas that Congressman Dicks mentioned. And it's going to be operated forward to protect American interest, to respond to crisis, and to deter, if necessary, to win wars.

I want to talk about ship numbers for a minute. Mr. Chairman, I appreciate very much your raising that issue. The impact of two ground wars over the last decade on our fleet and our force is unmistakable. Our fleet that stood at 316 ships and over 377,000 sailors on 9/11, 2001 dropped to 283 ships and close to 49,000 fewer sailors just eight years later when I took office.

This administration has made it their priority to rebuild our fleet. Despite the budget constraints imposed under the Budget Control Act, our plan assures that we will have no fewer ships at the end of this five-year period than we do today. Although, as you pointed out, the fleet of 2017 will include more, more capable ships equipped with state-of-the-art technology, manned as always by highly skilled personnel.

And although we're presenting one five-year budget, one-fifth, this is certainly not a one-fifth issue. As the Defense strategy states, we're building the force for 2020 and the years beyond the current fifth, we have a plan to grow our fleet and ensure our capacity continuous to match our missions. In fact, our plan will have us across the threshold of 300 ships again in 2019.

Overall, we'll fully meet the requirements of the new strategy and maintain the industrial base needed. This has been in spite of the fact as you pointed out that we have to defer building some 16 ships. But the good news on that part is that the ships, a vast majority of the ships that we're deferring are support ships and not combat capability ships.

And as the mission has changed, the need for some of these ships has decreased, and that's why I'm particularly pleased that we will be able to have the same sized fleet five years from now that we do today because we're not only deferring the building of the ships that you mentioned, we're also retiring seven cruisers and putting two small ships into reserve status. Speaking of amphibious roles, the Marine Corps will also return its maritime roots and resumes its traditional role as the nation's expeditionary force in readiness.

Our Marines will retain the lessons of a decade of hard, but effective fighting in Iraq and Afghanistan as it transitions back to a middleweight force, an amphibious force, optimized for forward presence, engagement, and rapid response.

We will very carefully manage the reduction in active duty end strength from 202,000 -- 282,100 Marines by the end of FY16 in order to keep faith with the Marines and their families to the maximum extent possible.

This restructure of the Marine Corps, a plan that was arrived at after a year and a half of very careful study by the Marines, will be smaller, but it will be fast. It will be agile. It will be lethal. The number of Marines in certain critical jobs like Special Forces and cyber will be increased and unit manning levels and therefore, readiness will go up. Both the Navy and Marine Corps will continue to decrease operational vulnerabilities in ways that are cost efficient.

That means we'll maintain our efforts to reduce our dependence on foreign oil and use energy more efficiently. These efforts have already made us better war fighters. By deploying to Afghanistan with solar blankets to charge radios and other electrical items a Marine patrol dropped 700 pounds in batteries from their packs and decreased the need for risky resupply missions.

Using less fuel in theaters can mean fewer fuel convoys which will save lives. For every 50 convoys we bring in, a Marine is killed or wounded. That is too high a price to pay.

We already know the reality of a volatile global oil market. Every time the cost of barrel of oil goes up a dollar, it costs the Department of the Navy an additional \$31 million in fuel cost. These price spikes have to be paid for out of our operational funds. That means that we sail less, we fly less, we train less.

For these reasons, we have to be relentless in our pursuit of energy goals that will continue to make us a more effective fighting force in our military and our nation for energy independence. But as both you Mr. Chairman and Congressman Dicks have pointed out, as much as we focus on our fleet assets of ships and airplanes and vehicles and submarines, they don't sail or fly or drive or dive without the men and women who wear the uniform and their families. They have taken care of us. They have kept the faith with us. We owe them no less.

The commitment to sailors and Marines and their families is where -- is there whether they serve four years or forty. It begins at the moment they raise their hands and take the oath to defend our nation, continues to do their training and education that expands their entire career.

It reaches out to their loved ones because it's not just an individual who serves -- it's the entire family. It supports our wounded warriors with recovery, rehab and reintegration. It continues with transition services for our veterans to locate new jobs and the G.I. bill for their continued education or to transfer for a family member's education.

The list goes on and on and on as it should. Our commitment to our sailors and Marines can never waiver and it can never end.

So finally, for 236 years from sail to steam to nuclear, from the U.S. Constitution to the U.S.S. Carl Vincent, from Tripoli to Tripoli, our maritime warriors have upheld the proud heritage, protected our nation, projected our power, and provided freedom of the seas.

In the coming years, this new strategy and our plans to execute that strategy will assure that our Naval heritage not only perseveres, but that our Navy and Marine Corps continue to prevail.

Thank you, Mr. Chairman.

YOUNG:

Mr. Secretary, thank you very much. And, you know, we're all very much aware that you, your department, and this committee have been given a tremendous challenge this year -- budgetary. Committee proved that we were up to the task last year because we were able to find \$39 billion in savings for the FY11 and FY12 bills. It was not easy, but we were determined to do that without affecting readiness and without affecting the men and women who wear our uniform and in working in conjunction with you and the Navy and Marine Corps and all of the services, we will do our very best to, again, make sure that we have adequate funding and that we do not have an adverse effect on readiness or the ability to protect our troops while they're providing for our security.

So thank you very much and I know that you're up to the challenge. And with a partner like Admiral Greenert -- excuse me -- I know that we are going to face up to this challenge. It may not be easy, but we're going to deal with it.

And Admiral Greenert, we're happy to hear from you, sir.

GREENERT:

Thank you, Mr. Chairman.

Chairman Young, Ranking Member Dicks, distinguished members of the Committee, it's my honor to appear before you for the first time to discuss our budget submission.

Because of the dedication of 625,000 active and reserve sailors and civilians, and their families, the navy and our primary joint partner, the Marine Corps, remain a vital part of our national security. I am honored to be able to serve and lead the Navy in these challenging times. And I thank this committee for your continued support.

This afternoon, I will address three points -- Navy's importance to security; our enduring tenets and the priorities that guided my decisions in the Navy; and how these decisions were -- excuse me, how these decisions shaped Navy's budget submission.

Today, our Navy is the world's preeminent maritime force. Our global fleet operates forward from U.S. bases and partner nation, quote, "places", unquote, around the world to deter aggression, to respond to crises, and when needed, and when called upon, to win our nation's wars.

If you refer to the chartlet that I provided, it should be in front of you, you can see that on any given day we have about 50,000 sailors and 145 ships underway, with about 100 of those ships deployed overseas.

These ships and sailors allow us to influence events abroad because they ensure access to what I refer to as the maritime crossroads. These are areas where shipping lanes and our security interests intersect and are indicated by the orange bow-ties, if you will, on the chartlet.

We can remain forward in these areas because of facilities and support from nearby allies and partners. For example, in the Middle East we have 30 ships and more than 22,000 sailors at sea and ashore. They are combating piracy, supporting operations in Afghanistan, assuring our allies, and maintaining a presence in the region to deter or counter destabilizing activities. These forces rely on facilities in Bahrain, a U.S. partner for six decades.

In the Asia-Pacific region, we have about 50 ships supported by our base in Guam and facilities, and places in Singapore, the Republic of Korea, and Japan. They will be joined next spring by our first littoral combat ship, which will deploy to Singapore for several months to evaluate that operational concept.

In the Indian Ocean, we depend on Diego Garcia and the fleet tender and the airfield there for ship repair and logistics support. Around the horn of Africa, we depend on the airfield and port in Djibouti to support our forces conducting counter terrorism and counter piracy operations.

In Europe we rely on places in Spain, Italy, and Greece to sustain our forces forward in support of our NATO allies. And in our own hemisphere, our port and airfield at Guantanamo Bay will grow more important in the next several years as the Panama Canal is widened.

When I assumed the watch as CNO, I established three key principles for our decision making. I call them tenets and to me they are the clear unambiguous direction for my Navy leadership and they are -- Warfighting First, Operate Forward, and Be Ready.

Warfighting First -- that means the Navy must be ready to fight and prevail today, while building the ability to win tomorrow. This is our primary mission and all our efforts must be grounded in this fundamental responsibility.

Iran's recent provocative rhetoric highlights the need for us to have forward deployed warfighting capability. In our 2013 budget submission, we redirected funding toward weapons, systems, sensors and tactical training that can be more rapidly fielded to the fleet. This includes demonstrators and prototypes that could quickly improve our force's capability.

Operate Forward -- that means we will provide the nation offshore options to deter, to influence, and to win in an era of uncertainty. Our 2013 budget submission supports several initiatives to establish our forward posture at the maritime crossroads.

These include placing forward deployed naval force destroyers in Rota, Spain, and forward stationing littoral combat ships in Singapore and patrol coastal ships in Bahrain. One ship that is operating from an overseas location can provide the same presence as about four ships that we would rotationally deploy from the continental United States.

We are also collaborating with the Marine Corps to determine the support and the lift needed for Marines to effectively operate forward in Darwin, Australia in the future.

Be Ready -- that means we will harness the teamwork, the talent and the imagination of our diverse force to be ready to fight and responsibly use our resources. This is more than completing required maintenance and ensuring parts and supplies are available. Being Ready also means being proficient, being confident with our weapons, our sensors, command and control, communications and our engineering systems as well.

In applying these tenets to meet the strategic -- the defense strategic guidance, we built our 2013 budget submission to implement three main investment priorities.

Number one -- we will remain ready to meet our current challenges, today. Consistent with the defense strategic guidance, I will continue to prioritize readiness over capacity and focus our warfighting presence on the Asia-Pacific and the Middle East. We will also sustain the nation's most survivable strategic deterrent in our SSBNs.

Priority 2 -- we will build a relevant and capable future force. Our Navy will evolve to remain the world's preeminent maritime force and our shipbuilding and aircraft construction investments will form the foundation of the future fleet.

In developing our aircraft and ship procurement plans, we focused on three approaches -- one, to sustain serial production of today's proven platforms including Arleigh Burke destroyers, Virginia-class submarines and F/A-18 Super Hornets.

Two -- to promptly field new platforms in development such as the littoral combat ship, the joint strike fighter, the Ford class carrier, the P-8A Poseidon aircraft and the America class amphibious assault ship.

Three -- will improve the capability of today's platforms through new weapons, sensors and unmanned vehicles including the advanced missile defense radar, the Firescout unmanned aerial system and the Fire-X unmanned aerial system.

New payloads like these will help ensure we can project power despite threats to access, as described in the new defense strategic guidance. They will also enable our continued dominance in the undersea environment and support our goal to operate effectively in cyberspace and to fully exploit the electromagnetic spectrum.

Now in developing the future force, we will continue to emphasize jointness, as described in our air-sea battle concept. We will also emphasize affordability, by controlling requirements creep, and by making cost the entering argument for new systems.

Third priority -- we will enable and support our sailors, civilians and their families. I am extremely proud of our people. We have a professional and moral obligation to lead and to train and to equip, and to motivate them.

Our personnel programs deliver a high return on investment in readiness. We fully funded our programs to address operational stress, support families, eliminate the use of synthetic drugs like spice, and aggressively prevent suicides and sexual assaults.

I support the compensation reforms included in the Defense Department's 2013 budget submission, which I believe are appropriate changes to manage the cost of the all-volunteer force.

In closing, Mr. Chairman, your Navy will continue to be critical to our nation's security and prosperity by assuring access to the global commons and by being at the front line of our nation's efforts in war and in peace. I assure you, the committee and the Congress, the American people, that we will focus on Warfighting First, we will Operate Forward, and we will Be Ready.

I want to thank you for your support. I want to thank also the professional staff that sit around us here for their help through the deliberations during the budget. They're of great assistance to us. And I thank you very much, sir, and I look forward to your questions.

YOUNG:

Admiral, thank you very much. And you know, we have -- we have tremendous confidence in the United States Navy and the United States Marine Corps. And we are happy to have our presentation today.

And we look forward to General Dunford. You'll find that this committee is supportive. We're not in a negative or adversarial role.

General, we love the Marine Corps and we're here to be supportive. Although, we will have questions that you might wonder sometime if that's being adversarial -- it is not. It is of seeking out our constitutional responsibility to appropriate the money and to know where it's going.

So we're anxious to hear from you today, sir, and you have the floor.

DUNFORD:

So, thank you, Chairman Young, and Ranking Member Dicks, and members of the committee. Thanks for the opportunity to represent General Amos today and articulate the Marine Corps budget submission.

Today, more than 24,000 Marines are forward deployed and forward engaged -- 18,000 are in Afghanistan while others are around the world projecting influence, deterring aggression and poised for crisis response.

Over the past year, the Marine Corps, working in concert with our closest joint partner, the United States Navy, has provided the nation a flexible and effective means of engaging, responding to crisis and providing decision space for our nation's leaders.

Your Marines provided humanitarian assistance and disaster relief in Japan in the aftermath of last years earthquake and tsunami. They flew air strikes through Libya. They evacuated non-combatants from Tunisia and they reinforced our embassies in Egypt, Yemen and Bahrain.

They did all that while continuing to support combat and counterinsurgency operations in Afghanistan.

Natural disasters, regime change and civil uprisings; this past year has reminded us that it is impossible to predict the future.

That's why as our nation's risk mitigators, The United States Marine Corps is focused and prepared for unexpected crisis and contingencies. We're committed to be the force that is most ready when the nation is least ready.

There is a cost to maintaining that capability but it is nominal in the context of the total of the defense budget and it provides true value for our nation.

This fiscal year we are asking Congress for \$30 billion. With your continued support, we'll fund ongoing operations around the world, provide quality resources for our Marines, sailors and their families, and allow us to reset equipment worn from more than 10 years of war.

This will also enable us to posture for the future.

As our nation begins to direct its attention to the challenges and opportunities of a post Afghanistan world, a world where the Pacific and the Middle East are our focus, the Marine Corps will stand to respond there and in other regions.

The strategic guidance directs that we rebalance and reset for the future and we have a solid plan to do that.

Our plan maintains balance across the five pillars of a ready Marine Corps. Recruiting and retaining high quality people. Maintaining a high state of unit readiness. Meeting the combatant commander's requirements for Marines in ensuring that we maintain appropriate infrastructure investment.

We'll do all that while keeping an eye toward the future by investing in the capabilities we'll need to meet tomorrow's challenges.

By the end of F.Y. '16, your corps will be streamlined to 182,100 Marines. This active duty force will be complemented by the depth of our Reserve Component that remains 39,600 strong.

Our corps will be optimized for forward presence, engagement and rapid crisis response. It will be enhanced by critical enablers, special operators and cyber capabilities all necessarily in a modern battlefield.

Chairman, thanks for the opportunity this morning to appear before you and I look forward to your questions.

YOUNG:

Well, General, thank you very much. And we're looking forward to your responses and answer our questions.

One of our members has a very close scheduling problem this afternoon.

So, I am going to recognize him first. And that is Mr. Bonner who usually has to wait for a long time to get his turn. But, Mr. Bonner, you are recognized.

BONNER:

Thank you, Mr. Chairman. And that is my appreciation for giving a chance to go to top to pick it up. I will be brief with my questions. But I appreciate this opportunity.

General, Admiral, Mr. Secretary, thank you for your service. We all on this committee would like you to take a broader look at how our Navy and other services work together to keep this great country of ours strong and free and how we are able to support our allies around the world? I would be remised on a parochial note if I didn't say a special thanks to Secretary Mabus. I had the privilege of being with him somewhere. They didn't tell us where, off to North Pole last year on the USS Connecticut as the Libyan mission was being launched. And I had a chance to see your involvement with our Navy that we're so involved in that and the respect that you command from the young men and women who served under you.

And I've had a chance to walk on the beaches of my own district when we had the worse environmental disaster in U.S. history, the Deepwater Horizon which is coming up on its two-year anniversary.

President Obama chose the right man to help us deal with that tragedy. And I just want to personally thank you for your leadership as well as what you do on a daily basis in support of our great Navy.

Two quick questions about (inaudible) because while we have a broader look, we also have parochial interests as well. The Chairman mentioned in his question the concern about the Navy. I remember when I was a young staffer and Secretary Lehman was Secretary of the Navy and we were looking at a 600-fleet Navy. And now, we are below half that.

You mentioned that, Mr. Secretary. But if you could expand that for just a minute on the mission of the littoral combat ship which you have been such a great leader of in which I believe some of our colleagues still know so little about. And that they often times offer scathing criticism to something that they've never seen or they don't understand. And Admiral I am going to give you a chance to take a shot of this as well.

Obviously, I have a parochial interest in it.

But thinking larger about the challenges in the South China Sea and the challenges in Iran and other areas of the world where there is trouble as well as the obvious mission with the pirates off the Coast of Somalia, can you give us an update on where you feel the LCS is in terms of its overall role in a strong vibrant United States Navy?

MABUS:

Thank you very much, Congressman. I think the LCS is clearly going to be one of the backbones of the fleet as we go forward. We are committed to buying over 55 of these very capable ships. They are for a lot of reasons. They are very fast. They have shallow draft and they are modular. You know, we've got three weapons systems being developed for them now and those weapon systems are in the stage of development that we expect them to be at this point, anti-mine, anti-surface.

The threats of the future, a lot of them are in the littorals or in the brown water that transition from land to blue water. These ships can do any mission in those littorals.

But they also can do blue water naval needs as well.

The CNO pointed out that we're putting littoral combat ships in Singapore to forward deploy. We're going to man these ships (inaudible). We're going to have three crews for every two ships. So, we're going to leave the ship in place and we're going to rotate the crews to come in to man those ships.

And being modular means that as technology improves, as technology changes, we don't have to build a new ship. We don't have to build a new platform. All we have to do is put a new weapons system on it.

So, I think for that reason they're not only -- they're not only incredibly competent and capable now, but they will continue to be over the lifetime that they in our fleet.

And the last thing I would say is we have already deployed the LCS 1 to the Caribbean two years early. In little over three weeks, it sees more than three tons of cocaine. And one of the reasons that it did is when these drug runners would in their fast boats would see a grey hole on the horizon. They would just assume they could outrun it. And they were wrong. They were wrong every single time.

And I think that the T-shirt that the workers also wear, you know, as they are building these -- that variant of these great ships. It says, "A power towards nightmare." It's absolutely correct.

BONNER:

Admiral?

GREENERT:

Sir, maybe just using what's in front of us for perspective, today if I am doing countermining, I have to what they called mow the lawn. You drive back and forth if you are clearing the field.

So, I can cover an area about the size of that bench maybe at one given time. Imagine in the future with the littoral combat ship, I have this own remote vehicle which is a multi-mission littoral vehicle and it is out on its own propulsion attached, tethered to that is a mine-hunting sonar.

So, it's out doing the rest of this area among us. While over there, the ship itself is neutralizing mines that were already found. And that can be done with a drone that is in a helicopter that is in the air so that gives you, again, that much more area for neutralization. Or they offload a small boat out the back door, out the side door and the back and they go neutralize it with either marine mammals or people if you need to.

So, while we're out here searching for mines, there is no, if you will, man in the loop. So, there is a safety aspect to that, too.

So, there is tremendous volume. There is a safety aspect. You can already see I think the flexibility of the mission to clear the field.

You can get rid of the mines or just find where they are not, all of that is available to you in a larger rate.

I just close by saying its speed, its volume and its modularity and its change out of payload -- and in my view, that has to very much be what I need to think about, what we need to think about in the future -- lethal payload that can be modularized and installed on this.

Thank you.

BONNER:

Mr. Chairman, I've got other questions I'd like to put in the record if that's -- with your permission.

YOUNG:

Without objections, sir, that will be done.

BONNER:

And, again, I can't thank you enough for letting me go ahead.

Thank you very much.

YOUNG:

Mr. Dicks.

DICKS:

Thank you. Admiral Greenert, I have a concern about the joint airborne electric attack mission that are combatant commanders need to support our ground forces.

As I understand it, most of the EA-6Bs are going to be decommissioned. And with the F-18 I think that went down in 14, I think you're going to have a problem. You're not going to have enough of these aircraft which are so important for jamming and others.

Can you tell us about that? I think the Marine Corps is getting rid of their EA-6Bs because they're old and expensive. And how are we going to meet the requirement?

GREENERT:

Well, sir, when we defined our mission and, therefore, how many of these Growlers we were going to buy, EA-18Gs, to replace our EA-6Bs, we determined what was needed for the air wing and what was needed for Navy Forces expeditionally.

We have the electronic attack mission. We have the lead for the Department of Defense and we turned our sister, brother of the service and said, "So, what's your plan so that we can make some rebuying up?" to your point.

That decision was made. The Air Force has a different plan to provide their jamming need for their missions.

I'll defer to General Dunford to explain the Marine Corps option if you will.

The other piece of this is the pod, the future pod. We've got a super aircraft but we've got kind of a legacy pod that does the jamming. It provides the signal. It provides the amplitude of that.

We have that program online. It's called the next generation jammer. We've got about 1.8 billion in this fit up for that, too.

Those have to go hand-in-hand, Congressman, to make sure that we meet that mission both afloat and ashore. And we're on track for that.

DICKS:

Do you think it's a good idea to shutdown the F-18 line in 2014?

With this concern about joint strike fighters...

(CROSSTALK)

GREENERT:

With the Growlers or are you talking about the Hornet?

DICKS:

Well, I am...

GREENERT:

We (inaudible) the new question. The Hornet line, right? Shutdown the Hornet line.

DICKS:

Yeah.

GREENERT:

I think it provides great leverage for those that are building the joint strike fighter. I think that we need to keep an eye on it. Be vigilant and make sure that the joint strike fighter delivers. And we have another year to look at but I think we need to look very closely. Yeah.

DICKS:

Thank you.

General?

DUNFORD:

Congressman, we look very carefully at the life of the EA-6Bs and we're doing everything we can to keep them in service as long as possible until the arrival of the F-35 which you know will bring its own inherent and extraordinarily capable electronic attack.

DICKS:

So, you're use the joint strike fighter?

DUNFORD:

We will in the future. That is correct, Congressman.

DICKS:

General Dunford, what about reset cost? The last time I saw General Amos he was concerned about fixing up the equipment that we're bringing back. And how do see that budget?

DUNFORD:

Thanks, Congressman. That's a very important question.

As you may know about 2/3 of our unit at home station right now are at a greater state of readiness. And the reason for that is we have an excess amount of equipment in Afghanistan relative to the units that are on the ground because of the mission requirements.

The commandant's number one priority is supporting our Marines and sailors that are in harm's way and that's exactly what we've done.

We have, this year, in the F.Y. '13 budget, the request in \$1 billion in reset cost. We've additionally identified what we call strategic reset costs. And that is the cost of equipment. That is the cost of resetting or replacing equipment once we come out of Afghanistan.

And so, our expectation is that once we actually pull the gear out of Afghanistan in the future, we'll need about two to three years to reset that equipment, in some cases, repair that equipment that can't be repaired. And that cost is approximately \$3 billion, Congressman.

DICKS:

Is that in the five-year plan?

DUNFORD:

That is in the five-year plan, Congressman. But, again, the critical piece of our reset dollars is we really expect that we're going to need to spend that money for two to three years after our equipment is actually brought out of Afghanistan.

DICKS:

Admiral Greenert, on the Virginia Class submarines, as I understand, there is -- we've gone to two a year. But there is one year out there that we only have one.

I thought we've made a decision to do two a year. Can you explain what the reality is here or what the chances are of getting us a second one?

Will Congress have to step in there?

GREENERT:

The reality of the situation was money. '14 was a particularly tough year as we built our budget. If one looks, you'll see a lot of the retirements that we've talked to, ship retirements. They mostly occur in '14.

So, in that year, we build one as I said. Now, there is a Block of 9 so we have 2 in '11, 2 in '12, 2 in '13, 1 in '14 and then we have 2-year through the (inaudible).

We have a Block of 9. To get a Block of 10 would require incremental funding approach, multiyear procurement. And we're in deliberations with the committees, as you well know, sir. And we would certainly appreciate your help in that.

DICKS:

All right. Thank you.

Thank you, Mr. Chairman.

YOUNG:

Thank you, Mr. Dicks.

Mr. Lewis?

LEWIS:

Thank you much -- very much, Mr. Chairman.

I will have questions to follow the first line to have you share with the committee the significance of modularity in terms of the ships that we're looking to be of service over time. But before getting to that, dealing with a personnel matter, I'm interested in having Mr. Secretary -- Secretary of Navy as well as the Marine Corps talk with the committee a bit about suicides within our troops.

There has been a problem that we're all aware of. It is a volunteer force. But in the mean time, the real pressure is service, once you're out there, become an entirely different thing.

Could you describe for us the experience the Navy has had as well as the Marine Corps with suicides in recent years?

MABUS:

Yes, sir. The experience of last year, the Marine Corps suicide numbers went down fairly significantly. But on the flipside of the coin, the Navy's numbers went up.

We have -- both the Navy and the Marine Corps have put out very aggressive programs to address the causes and to prevent these tragedies that are striking too many -- one is too many.

But the numbers, again, while they're getting better for the Marine Corps, they're not getting better for the Navy. And we want to make sure that we have the programs in place that people will seek help through hotlines. And Marines have a hotline now that if you call you will talk to a Marine in terms of getting you through whatever rough patch it is.

We are focusing on leadership, both at the CO level, but more importantly at the NCO level in terms of recognizing signs and being ready to intervene in these things.

The -- I'm announcing on Monday a program called 21st Century Sailor and Marine. One of the things that we have noticed as we run various programs, whether it's for suicide or sexual assault or any number of things, we're finding some common themes across them. One of them that's found in suicide, in sexual assault, in relief of COs is abuse of alcohol.

And we're going to attack that in some ways to not ask people to quit drinking, but to ask people to make sure that they don't do something either life-ending, career-ending or career-changing because they don't use it correctly.

So we are -- we're focused on this. The -- instinctually, you would think that people who have deployed recently would be at high risk. So far -- and we follow these numbers very carefully. I get an update every two weeks about what's happening in the force. So far, we cannot make a strong connection between deployment and suicide or some of these other activities that we have to intervene in and we have to do a better job of making sure that our sailors and Marines don't engage in.

DUNFORD:

Congressman, as the secretary said, this is an issue that's been of extraordinary importance to -- across department for all leadership. And the commandant certainly been personally and decisively engaged in the issue with suicide over the last few years.

In 2009, we had 52 suicides. In 2010, we had 37, and last year we had 32. We're encouraged by those trends and we want to believe that the key part of it is the training that the secretary spoke about which is focused on our small unit leadership and our ability to recognize the signs of distress and decisively engage in their fellow Marines' health.

The other thing we did is introduce what we call the de-stress, it's a hotline that the secretary alluded to. Last year was a pilot program. We used it in a limited part of the Marine Corps. We just are in the process of completing a contract that'll expand that distress hotline across the whole Marine Corps.

The secretary hit it really right on the mark when he associated many of the same things that we're focused on whether it be sexual assault, alcohol abuse or suicides. At the end of the day, the commandant sees all these issues as leadership issues.

And it's about creating a climate within which our Marines will be successful. It's about making sure that bystanders intervene in sexual assault. It's making sure you have that same attitude with fellow Marines when it comes to cases of suicide. And we're very much focused on that.

And again, we're cautiously optimistic that the focus that we've had over the past year, year and a half on small unit leadership that's making a difference. But this is an area that we'll never be complacent and an area that we'll never be comfortable at doing all whenever we can.

LEWIS:

Thank you for those responses. I must say you're making certain that we're doing everything that's necessary to have services available that are accessible and in a way that, with a level of confidentiality that allows a person to have some sense of security about that which they're discussing with advisers and councilors is very important.

In the mean time, back to another part of our world, those ships at sea are fundamental. I'm not sure that automatically the committee is fully aware of the significance of modularity in terms of our program for making sure our ships are operating at the highest possible level over time. So would you talk out loud about modularity, what that means to the Navy and the Marine Corps?

MABUS:

Sir, if I could take the first shot at that and then I'll turn it over to the experts here on either side of me (ph). But modularity means that as we get improvements in technology, which almost inevitably happens, as our research and developments provides new ways of doing things, that we don't have to start over and get a new ship, get a new platform to do it, you know, that we can simply pull out whatever we've got there and replace it. Same thing with combat systems, communication systems, whatever is on the ship.

Back in the '90s, I was an ambassador to Saudi Arabia and showed up in 1994 and on my desk was a Wang computer. You know, Wang had been out of business then for about eight years, but we had invested in that particular computer system instead of the capabilities that a system would offer us.

And so one of the things that we're trying to do, not only with the LCS, but also with all the ships that we build, is to make them modular so that as things change, as technology improves that we can keep up with the latest technology but we don't have to replace the whole platform to do that.

GREENERT:

Thank you. Open architecture, I think, is the simplistic term for this. We define the military standards, the performance standards, how much power it needs, the cooling (ph) and you say industry, what you got, and have them come in as, you know, if it's a weapon what's the lethality that you can deliver.

We've had success in our Tomahawk systems, a lot of those are drop-in. You might remember when the Congress gave us the Spruance- class destroyer. People looked at it and said, "What are we going to do with that?" It's got two guns and one box on the front.

LEWIS:

I remember that, yes.

GREENERT:

And then we put -- we modularized the Tomahawk missile and we ended up with like 96 Tomahawk cells there. Similarly, that's an example, sir. So it's not really a new concept, but it sure is effective.

DUNFORD:

Similarly, Congressman, what we're really talking about is ensuring that when we develop a program, we factor in growth, in growth that we can do in efficient way.

You know, for example, in command and control systems, to the extent that we can be software-based, we will. Even as we develop the light vehicle, you know, certainly far or less complex than the LCS, what we try to do is anticipate what changes, what growth requirements will exist over the next 7, 10, 15 years and ensure that we can absorb that growth in a particular program to, again, be more efficient stewards of resources over time.

LEWIS:

Well, thank you for that.

Mr. Chairman, you've given me plenty of time. Thank you very much.

YOUNG:

Thank you, sir, Mr. Lewis.

Mr. Frelinghuysen?

FRELINGHUYSEN:

Thank you, Mr. Chairman.

I sort of want to get back to where the chairman started off with the numbers of ships here, whether it's in Asia or in the Atlantic, numbers matter. And inherent in some of our discussions is exactly how large the fleet is.

Today, there are 288 ships in the Navy, 25 below the 313 minimum requirement. And under this budget, the Navy will have 19 fewer ships than planned, representing about 15 percent lower or 15 percent fewer ships than the Chief of Naval Operations says the nation requires. How are we going to accomplish what we need to accomplish in the Asia Pacific with so few ships? How are we going to accomplish this tenet?

MABUS:

Well, again, if I can take the first...

FRELINGHUYSEN:

Because I know you're talking about capability, but, you know, five years to become ship -- every ship we have has new capabilities, but five years to get to the proper number given the aggressiveness of China doing things to deny our ships and our planes access to their so-called territorial waters, we don't have much time to -- here to move ahead here.

MABUS:

Well, two general points and then a couple of specific ones if I could. One is that the CNO and Department of the Navy is conducting a force structure assessment right now to look at the new strategy, the new requirements for the Navy and put the force that we need to do those requirements against -- the 313 number that you mentioned came out of the 2005 Quadrennial Defense Review and it's time for us to take another look at the numbers needed.

FRELINGHUYSEN:

But we're laying out our -- you know, to some extent, we certainly laid -- we're laying out our Asia Pacific strategy right now. Are you suggesting we're going to go back and, you know, we reach out or doing some littoral combat ship potentially in Singapore?

We're sending assuming the Marines are agreeable we're going to send 3,000 Marines to Darwin, we're going to be reducing forces in Okinawa. What is the timetable here to get the number of ships we need to project the type of power we need to have in the region?

MABUS:

Well, the second general thing that I would say is to echo something that the CNO said earlier by putting littoral combat ships in Singapore, by putting DDGs in Rota, by putting patrol boats in Bahrain, the four DDGs in Rota, for example, does the job of 16 ships if they were homeported in the U.S. so you can do exactly the same mission with...

FRELINGHUYSEN:

You mentioned -- I'm talking sort of about we have, what, four Aegis destroyers in Rota. How many do we have in the Pacific?

GREENERT:

If I could (inaudible).

FRELINGHUYSEN:

I'm not weighing in here.

MABUS:

To the CNO...

FRELINGHUYSEN:

I'm wondering...

MABUS:

What I do want to talk about the total numbers of the fleet when the CNO...

(CROSSTALK)

FRELINGHUYSEN:

It's a little unclear. I think numbers do matter here. I don't think we can wait five years.

GREENERT:

The numbers do matter, sir, but you got to have the right ships where they need to be. And what we're saying is they need to be forward. That's where they're effective because our job is -- does stop -- something occurs, we have to act now. We are the enabling force, we are the first force. With that said, we have to have the right forces forward. Therefore, four DDGs in Rota so that they can be there for missile defense for whatever is needed. By doing that, I don't have to deploy forces to Europe. Now, I have freed up rotational forces to go elsewhere for the same number, as you said, 285.

FRELINGHUYSEN:

OK. So the numbers are in a state of flux, but what are we assigning to the Pacific here? We often talk about, you know, the tyranny of distance here.

GREENERT:

Sure.

FRELINGHUYSEN:

The ships we do deploy obviously are, you know, are -- have wear and tear associated with them. How are you going to put it all together with such a vast area where we continue to be challenged by, shall we say, Chinese denying us access?

GREENERT:

Sure. Today, my demand signal based upon what the combatant commanders ask and that goes into the joint staff and they say, "This is what you are required to provide."

I provide 50 ships. It's on the little chart right there...

(CROSSTALK)

FRELINGHUYSEN:

I feel it.

GREENERT:

... to the western Pacific. In five years, that number will be 55, as I project out, the Global Force Management Plan that I'm assigned to provide out there -- we are assigned to provide out there. And then as you see in the Asia -- excuse me -- in the Arabian Gulf 30, that will go to 32. Well, how do you do that? You do that by operating forward by having four littoral combat ships as I said down in Singapore. All the time, they're able to provide that presence because, sir, that's what it's all about, it's presence forward. It's being able to be there.

A large Navy back in the States that has to rotationally move all the time, as an example, has to be that much larger if it's all about rotation because you got to support somebody going to or somebody coming back, somebody getting ready as opposed to being there. And that's what makes the difference.

FRELINGHUYSEN:

But if we're going to bring -- have it (ph) to the Pacific, we're going to have -- you know, our ships are going to be, you know -- and the crews are going to be obviously -- you know, this could be a lot of stress not only on, you know, operations and maintenance but also on crews. And this is all being put into the...

GREENERT:

The literal combat ship as built and as designed from the get-go would have three crews supporting two ships, so they will rotate between those two ships. One is on each ship and one is in a trainer and schools and then one of those ships is forward. So two ships, one in Conus, one forward, they will rotate every 16 months to a location and then there are three crews. And so, as you said it is a rotational...

FRELINGHUYSEN:

And you are putting into the mix of, you know, the possibility that some of these ships may have to come in for, you know, re-equipping and resetting and you're putting into the mix as we pivot to Asia, you know, factoring that in as well.

You don't keep all your ships out there at all times, some are in for conditioning

GREENERT:

They'll rotate that. For example ships in Japan they rotate back to the United States about every six years thereabouts for deep maintenance and when they dry dock, do major upgrades modularity. And that will be in Singapore for example when they're there, they'll be there about 16 months...

(CROSSTALK)

FRELINGHUYSEN:

And the Singaporeans have agreed to this?

GREENERT:

Yes, sir, it was at their end of the...

(CROSSTALK)

FRELINGHUYSEN:

I know we've gone military to military with the Philippines and there's probably not a great desire on their part to have us based there but we're taking a look at these issues and the stress of this distance to meet these obligations.

GREENERT:

The concept of littoral combat ship to Singapore and of itself is not a brand-new concept. We always design the littoral combat ships to be forward stationed somewhere and that by virtue of the Singapore government inviting us to, you know, to pursue this concept. As I mentioned in my statement we're going to send the Freedom there in about a year at their invitation, that the Singapore government, to deploy for eight months to work out the concept of how this is going - exactly how this is going to work and what kind of support will be needed there at Changi.

FRELINGHUYSEN:

And this is all recognizing of course that we have a growing situation where the Chinese are in some ways, you know, taking territorial waters way out into the Pacific here. And we have - you are saying that we can project enough power to meet those types of challenges and tests?

GRENNERT:

We can and that's a good point that you make. We have to do it right, absolutely. So air, sea battle and all of the concepts across anywhere from policy to our concept of operations and how we work with allies in that and have a common set of protocols in the South China Sea with all of our allies.

All of that is in the mix, sir, and that we have to do that right.

FRELINGHUYSEN:

And we're with you and we're in support and I'm not - you know, we appreciate what you do. If we're making this major shift we need to make sure you have enough ships to do it and five years is a long time to get up fully to the number that you say you need.

Thank you, Mr. Chair.

YOUNG:

Thank you, Mr. Frelinghuysen.

Mr. Visclosky?

VISCLOSKY:

Thank you, Mr. Chairman.

General, thank you and I'd like to follow up on Mr. Frelinghuysen's line of questioning.

And Mr. Secretary perhaps you would want to follow up because you indicated that you wanted to respond more fully to the total size, if you would, of the fleet because 313 sticks in mind. And I understand that you have a poor structure review with 288.

I guess one of my questions is, is there a sense as to when that poor structure will be finished and will have, if you would, a new number and a new composition of the total fleet?

MABUS:

I think it's fair to say that the force structure assessment will be done by the end of this fiscal year because you not only have to put it against a strategy you've got to put it against particular plans as well. But I do think that history is important here, that in one of the great military build-ups that we've had in the United States, the Navy from 2001 to 2009 went down, went down by more than 30 ships and went down by almost 49,000 sailors.

And so, the first thing when I was fortunate enough to get this job, what we had to do was stabilize the fleet to keep it from getting smaller and we have done that. Today we have 36 ships under contract and they are all firmed fixed price contracts. And the other thing that we were facing was that too many of these programs, that the cost have gotten out of control and we were not going to be able to afford the numbers that we have had and I was remiss in my opening statement for not thanking this committee or for the things that you have done to help us keep that number of ships and we understand where so many of these ships and are billeted by have come from - and it's come from the people in this room.

And I want to thank you so much for that. But with this new budget control act, with the fact that we had to cut back in terms of spending the amount that we did, the fact that on a purely financial basis we deferred building these ships that the chairman mentioned at first but the majority of the ships that we're deferring building are joint high speed vessels which are not combat vessels and we will build enough joint high speed vessels to meet every work plan requirement.

And on and on we were building - we were building oilers before need. We have slid those. We're not canceling those but we're having to slide them later on because of the budget situation.

VISCLOSKY:

And if I could just because (inaudible) is limited...

(CROSSTALK)

MABUS:

I'm sorry.

VISCLOSKY:

I know, the question is on the review if it's completed to begin this fiscal year you don't anticipate anything on the review would impact on the request before the committee for '13?

MABUS:

No, sir.

VISCLOSKY:

The second thing is it's been reported that when that review is completed and there is a number and we look over what the composition is and that it may be some apples and oranges that contrary to previous years, hospital ships might be included in that number to make it look better, is that true or not?

MABUS:

Well, two things are true. One is that we're looking at force structure assessment and two is we're looking at accounting rules, but the thing that I will pledge this committee is that if we make a change and that's certainly not a done deal, that we will be very transparent about it.

We will give the count before the new rules and after the new rules. The current accounting rules have been in effect for a couple of decades now, counting rules as we've looked back have

changed over time and it's mainly based on what you use the ships for, that solely support ships do not count, ships that are combat, part of your combat...

VISCLOSKY:

But we can count on transparency?

MABUS:

Absolutely.

VISCLOSKY:

I appreciate the chair's indulgence. Mr. Frelinghuysen shares the Energy and Water Subcommittee and I have the privilege of serving on it as well and for years, and so, we pushed the DoD, the DOE relative to a nuclear posture review that was completed in 2010.

I personally think it's very important to determine what that strategy is so that we can have a determination on weapons and then ultimately what DOE has responsibility for and NSA has. Administration officials have recently apparently indicated that there could be steps taken to strengthen our deterrence posture at lower start file numbers speaking vaguely I might add of the nuclear posture review implementation study that is currently taking place.

I'm concerned that in the case of DOE and the budget consequences are not insignificant, we are compelled to hit a moving target as far as what that strategy will be.

Do you have a sense that there is going to be some fundamental change in that strategy since the Navy is a significant participant?

MABUS:

Sir, as you know that strategy, that look is being undertaken by the White House right now and I don't have any idea of where it's going to come out. But I'm glad that you have mentioned the dual roles here of DOD and DOE because in the Ohio class replacement program, you know, that the Navy is responsible to the most survivable leg of the nuclear triad, our ballistic missile submarines.

The Department of Energy has responsibilities in terms of reactors for that and the funding for them has an impact on how fast we can move in terms of the Ohio class replacements.

VISCLOSKY:

Is the deferral in the budget request for two years?

MABUS:

There was a slide of two years, that's correct. That's going to mitigate some risks from the Navy standpoint because we have still put a significant amount of money into research, development and design of that ship and we think we'll take down some risk by moving it two years to the right.

VISCLOSKY:

Thank you, Mr. Chairman.

YOUNG:

Thank you, sir.

Mr. Crenshaw?

CRENSHAW:

Thank you, Mr. Chairman and thank you all for being here today.

A special word of thanks, Mr. Secretary, I know you were in Jacksonville, Florida in my home district this week and talking about some exciting plans and I hope you saw the love that our community has for the Navy.

And I could tell you as somebody that represents that community of where we've got two naval bases and a Marine base, it's hard not to understand how important the Navy is to our national defense and I sit on this subcommittee, it's hard not to understand how important planning and funding are to our military.

And so, it's hard for me based on that information not to have a couple of questions about the budget that's in front of us, one about ships, one about planes. And we talked some about some the whole issue of ships and ship building and I've heard you talk before and I appreciate the fact that we've got all the technology advancements that have been made but people talk about the fact that numbers do matter. And I've watched you, the Navy is asked to chase pirates in Somalia and carry humanitarian aid to Haiti, interdict drugs in the Caribbean, protect the Straits of Hormuz and destroyers in the Mediterranean to deal with the Iranian missiles.

It's tough to meet all of the demands and I guess my big question always comes to mind and you answered part of it is that age old question, how do you have one ship in two places at the same time and that's always stuck. The platforms are necessary and that is a concern in terms of are we taking risks with this budget?

And the other example is more I guess immediate and parochial in the sense that this budget doesn't have any additional funding to do the military construction that's needed to upgrade a home port on the East Coast for a nuclear carrier. Now you all know that when we went to an all nuclear force back in 2005 we'd always had the strategic imperative to have redundancy, to have at least two home ports on the East Coast and the West Coast, and so, when we went all nuclear I know there was a study done, it's kind of spanned my career in Congress, they spent two and a half years to decide what to do.

A decision was made, a 218 page report that said that it is a strategic imperative to have two home ports for nuclear carriers on the East Coast. I think Secretary Gates at that time was the secretary of Defense said that it's not acceptable to have one home port on the West Coast and it's certainly not acceptable to have only one home port for nuclear carriers on the East Coast.

And so, that was a decision that was, I think, reviewed in the quadrennial defense review in 2010 but this budget doesn't have any money to continue the upgrades that had started three years ago. And so, because of that I have maybe one big question and one little question.

The big question to you, Mr. Secretary, is when you made all the tough decisions you had to make when you put this budget together, are there risks that you recognize that we are taking because we can't do everything necessary in terms of our national security strategy? I guess in other words are those decisions based on the strategic imperatives of national security or to a certain extent are they based on budget constraints, and if so what kind of risks do you think are involved and are they manageable.

And maybe just for the admiral just can you tell the committee that the plans haven't changed in terms of the strategic imperative to have two home port nuclear carriers bases, in other words, to disperse our strategic assets and if so that's still the plan and I guess I'm asking you is it still planned to be at NAS Mayport (ph) or Mayport. And even though when there'll be additional budget dollars to finish those remaining projects but you could answer those two question. I have quick question about an airplane.

MABUS:

This budget was a strategy driven budget. It was not a budget-driven strategy. The strategy came first, was very carefully thought through, as I said in my opening statement.

We had the president of the United States, we have the secretary of defense, all of the joint chiefs and all the service secretaries had full participation, you know, and the combat commanders were also involved in that.

In making some of these decisions, some of them were very hard, some of them were strictly budget-driven and you've alluded to one. But we wanted to ensure that we could meet every requirement that this new strategy set out.

And I am confident and I know the CNO and the commandant are confident as well that in this budget, the Marine Corps can meet every mission that this new strategy assigns to us and that we will have a flexible force that can meet any mission that we'd all foresee right now.

So, there is never enough money in the world to take out all risk, and that's a quote from Secretary Gates, I believe. But I think that looking at the new strategy, looking at the funds that were going to be available or -- that we had to manage to -- we have matched the budget to the strategy and not vice versa. Thank you.

CRENSHAW:

Admiral?

GREENERT:

Strategic -- being able to strategically disperse nuclear carriers remains our policy, on east coast - - on both coasts and one -- the coast that we have it right now on the east coast, so that remains a policy, sir.

I can't tell you when we'll have enough money. I don't know what the fiscal future looks like. We didn't have enough money in this future year defense plan and that's why we had -- have not pursued that.

The -- and to answer your question on risk, it's the capacity is the simple answer. Where is the risk? Well, for us, we had to retire force structures to -- how do we accommodate that to operate forward and have to forward deploy as much as feasible and pursue those opportunities that were presented to us to forward station and forward deploy Navy forces.

CRENSHAW:

Thank you. So you haven't changed your mind -- haven't changed the strategic goal of having, you know, like on the west coast, I think we have three nuclear carrier homeports and the goal is to someday have two on the east coast.

GREENERT:

That remains our goal. Yes, Sir.

CRENSHAW:

Real quick, Mr. Chairman, if I might. I want to have -- ask a quick question about aircraft, in this subcommittee a lot of times we have people come in and they'd say things are taking longer than they thought or they cost more than they should.

And I don't know that we pay them that -- enough attention to the good programs and the P-8s (ph) and the Advance 2 -- Advance E-2C Hawkeye, the Advance Hawkeye, those programs are just -- seem to be models of the way we ought to do acquisition and so I want to congratulate you all.

I think the committee would for the work that's being done there. But I did -- I guess have a concern that when I solve it in the five- year plan, it went all over the budget that I think some of the Advance Hawkeyes are cut out and some of the P-8s are cut out in the five-year plan.

I wondered if that's a permanent cut or if that's just -- you still plan to build the number that you originally set out to do but you'll just do it over a longer period of time.

MABUS:

The answer is the second part of your -- of your question. In terms of P-8s, it's one of the platforms that we need the most. P3s are getting really long in the tooth, you know, and although they performed amazingly well. My formal naval aide was a P3 pilot. He flew the same airframe that his father flew, not the same type but the same actual airframe.

And we have -- because of purely financial decisions, we have moved 10 P-8s outside the (inaudible). Now, there are -- there are planes from -- there is one plane that we moved and 15 -- 20 planes that we moved in -- 10 planes that we moved in '16 and we buy back one in '17. So they're -- toward the end of the (inaudible), we're going to keep the numbers in '13, '14, '15 the same.

And our plan though is to buy the entire number of P-8s to buy -- to do the full (inaudible) that's in the program of record now.

CRENSHAW:

Thank you and real quick. BAMS that's -- that's an unmanned surveillance aircraft as you know. And I think the Air Force had one similar called the Global Hawk and they decided not to build that. Does that give you concern because I know they were kind of on the same platform. A lot of commonality, is that going to make it cost more?

Are you concerned about that? Or are you still on track? But -- because let me tell you I was down Apache River, sitting in a room, you know, watching the Straits of Hormuz and just an incredible, valuable asset in terms of surveillance. I just wanted to see how the BAM program is.

MABUS:

BAM program is on track. It's, again, an incredibly program and what the Air Force cancelled was one block of Global Hawk, Block 30, of Global Hawk. And they even called out one in that

cancellation that - the Navy BAMS would continue and would be an important part -- based on the same -- same air frame.

CRENSHAW:

Great. Thank you so much.

Thank you, Mr. Chairman.

YOUNG:

Thank you, Mr. Crenshaw.

Mr. Calvert?

CALVERT:

Thank you, Mr. Chairman. I appreciate it.

Just -- carrying out what Mr. Frelinghuysen was talking about in the -- as far as the number of ships and requirements and again, thank you for your service. I certainly appreciate you being here.

Our allies -- and I know there's a lot of sensitivity about Japan in that part of the world. But is there any talk about Japan? I know going beyond their constitution, their self-defense force and the rest to augment some of their capability to assist the United States in, especially, in the South China Sea and some other areas that -- that are, obviously, of concern, including the Aussies, maybe the -- even the South Koreans.

MABUS:

The Japanese self-defense forces are upgrading their equipment, sometimes pretty dramatically. They have a commitment to buy F-35s. There are ships, you know, but some of which they have on station, some which they are building are Aegis equipped so that they are operational with ours.

We have, as you know, a carrier strike group home ported in Yokosuka. We have aircraft in two airfields, Iwakuni in the south and Atsugi in the middle of the country. We have Marines in Okinawa with their air assets, we have Amphibious Ready Group, home ported in Southern Japan.

The Japanese currently provide host nation support for that, I believe, \$4 billion this year to keep those sailors and Marines and those assets in Japan. I think one of the things that CNO talked about is the importance of interoperability, the importance of having ships like our Aegis that can operate and seamlessly integrate with Japanese ships or within any of our other allies in that part of the world.

The Koreans have ships that are Aegis equipped as well. And that's certainly part of the strategy, that we have to maintain those partnerships. We have to maintain that interoperability around the world.

CALVERT:

I appreciate that. One of the criticisms and this isn't pointed at the Navy or the Marine Corps necessarily but service- wide is the entire procurement process that I think and I think most members would agree needs to be reevaluated.

We've had problems in the Air Force, obviously the Marines, the Navy, everywhere. And so, as we look at -- bringing on new technology which we want to make sure we do but also be cost aware and some of these new technologies, like this new electronic -- electromagnetic launch system which is a very promising technology, I know that to -- for the new carrier systems that we plan on bringing on.

But I -- as I read about it, there has been a lot of concern on whether or not it's going to work. And I was wondering how the -- the testing is going, the certification, is the schedule accurate, are we -- are we going to delay the new carriers because of this launch system or just in general, how is that coming along?

MABUS:

Yes, Sir. The EMALS system is, you know, testing its own track. It will be ready to be integrated into the new Ford aircraft carrier on schedule, the Ford will be built on schedule including EMALS, but if I could -- talking about procurement and our acquisition strategy, I'm really proud of what we've done in the Navy on that.

And I absolutely share your concern about how we buy things and making sure that taxpayers get value for the money that we spend on their behalf and in the programs that Navy has in ship building. I'll just take ship building.

The Virginia class submarine has been coming in under budget and up to a year ahead of schedule. The DDG-51s, the last three that we bid out. We saved \$3 million on those three lower than what had been budgeted.

CALVERT:

Now -- in that regard though, I understand that the Gerald Ford has an 811 million cost growth that's to pay for in the future years defense programs. And I also heard there maybe another \$600 million cost overrun that -- that you haven't accounted for us yet. Is that true?

MABUS:

Well, a couple of the programs, and I'll be happy to talk about the Ford. LCS 40 percent decrease in cost, firm fixed price contracts stretching out five years.

On the Ford. When the Navy started to look at building a new carrier -- new type of carrier in the '90s, the plan was to build three transitional carriers to put things like EMALS, the new technology on three different carriers so that you didn't have it one and raise the risk.

In 2002, the decision was made at the Department of Defense to change that strategy, to put all this new technology on one carrier on the Ford. You sent the risk through the roof by doing that.

The Ford was supposed to -- the contract was supposed to be signed in 2006 for that ship, because of all the new technology, it was not signed until 2008. When the contract was signed, that ship was 30 percent designed. That's not the way to build a ship.

Now, that's history. That's where we were. What we've done to try to arrest that growth and there has been cost growth. There's been cost growth not only from the shipyard but there's been cost growth from some of the other elements like EMALS.

If the shipyard will make no money on this carrier, we've taken their fee away from them because of cost growth. So any money that goes to the shipyard is just going to be what they're spending in their cost.

In terms of things like EMALS, we have capped their amount that we're going to pay for EMALS and basically told the company that's building it - General Atomics, that if you're asking us to bet our ship on it, we're going to ask you to bet your company on it. It's going to have to come in inside of certain budget.

The other important thing, I think we've done is we have taken the lessons learned, because this is a brand new ship. It's got a new hull. It's got a new reactor. It's got a new propulsion system. It's got a new electrical system, a new island, a new launch system, a new arresting gear, is taking all those lessons learned to make sure that the next carrier, CVN-79, the John Kennedy won't have those issues and that we will be able to bring it in at the cost that we think it should cost.

But you're absolutely correct. There has been cost growth in this carrier. It was a factor of decisions that were made a long time ago. And to just quote a punch line of an old joke, "That bed was already on fire when I got in it." But I'm committed and the Navy is committed to making sure that we -- that we take firm action now and that in the future as we continue to build in these new types of carriers, these things don't happen.

CALVERT:

Don't get me wrong, I'm very optimistic about the EMALS system. I think it's a great new technology to go to. And I just, you know, sometimes with these new technologies the tail is wagging the dog and as far as slowing down the whole process in order to get something across. So that -- you're confident that's not your case.

MABUS:

I am.

CALVERT:

OK. Thank you.

YOUNG:

Mr. Calvert, thank you very much.

Mr. Moran?

MORAN:

Thanks, Mr. Chairman.

Nice to see you Mr. Secretary and welcome aboard admiral.

General Dunford, I don't know whether you have followed the F-35, the development as closely as General Amos has. Are you ready -- are you prepared to get in to that?

DUNFORD:

I am, Congressman.

MORAN:

Yeah. OK. Well, the -- as of November of last year, the B variant of the F-35 had only 230 pounds of margin between its current weight and its maximum weight of 32,557.

That means there is only two tenths of 1 percent weight growth possible per year during your performance measurement period. By contrast, the F/A-18 had a seven tenths of 1 percent weight growth each year during its development phase.

Given that the F-35 -- I know this gets pretty technical here, but it's an important issue. Given that the F-35 B has structural and propulsion design fixes to implement over the coming years, are you concerned that the plane's potential to breach its maximum weight would put in jeopardy its vertical landing capability. So the, you know, the real question is what mitigating factors would you be encouraging the program office to implement should it approach its maximum weight when it's so close to it already. And how confident are you that it won't breach that 32,557 cap?

DUNFORD:

Congressman, first, you know, you mentioned Gen. Amos' personal involvement and he is personally and decisively engaged in the F-35 program. He meets every two weeks with the program manager, the Lockheed Martin team on a frequent basis and the entire team in the Marine Corps and the Department of the Navy.

He's involved with every single decision that affects one pound on the F-35. And you mentioned November as a point in time and actually we've had -- the trends have been positive since November. And we've actually gotten better than we were back in November.

Weight is always a concern with aircraft. Weight is a particular concern with the F-35B. but based on both the trends and the decisive engagement of leadership right now and, by the way, the engineering solutions that have been identified for those challenges they had in 2011, we think all trends are in the positive direction. And we're cautious and we're optimistic -- we're fully optimistic -- about the F-35B.

MORAN:

Well, OK. You're optimistic. I guess we want to raise that as a warning flag though. I think you're getting very close so that's -- it should be of some concern and I trust it is.

DUNFORD:

Congressman, I'm not saying I'm concerned.

MORAN:

Yeah, sure.

DUNFORD:

I guess what I'm just saying is that the trends are moving in the right direction. So you identified a point in time when there was an issue -- we are actually better off than we were back in November.

MORAN:

Can you tell us what you've done to do that?

DUNFORD:

I think, you know, really it's the engineering team. And when they're identifying -- we had some engineering solutions that were identified and weight is an independent variable in very single one of the engineering solutions that's been identified.

And, again, with the commandant's (ph) personal engagement as well as the design team at Lockheed Martin sitting down and realizing that weight is an independent variable, the solutions that have been identified for those engineering challenges have been such that they have not penalized the aircraft with regard to weight.

So, again, I think with regard to the scrutiny that's in the program as well as the trends right now, that's why I say that it's not -- it's not just wishful thinking. I think the trends are absolutely in the right direction. And everyone that's involved on the program is sensitized to the issue of weight and how important that is particularly in a V/STOL aircraft.

MORAN:

Well, we can't help but have confidence and trust that you're on top of it.

Mr. Secretary, the -- I want to ask about the BAMS in the context of the Global Hawk again because as you know, the BAMS system is based on the global hawk airframe with different sensors.

And you know the Navy intends to buy 68 BAMS making it the world's largest long endurance marinized UAV flight. And the Air Force intends to mothball the 18 Global Hawk Block 30 that this Congress intended be used. In F.Y. '12 we appropriated money for two additional Block 30 aircraft which the Air Force may now decide to reprogram other needs.

Should the Air Force not purchase the two additional Block 30s, a production break may very well impact the cost and schedule for the BAMS. It seems to me the two have an interrelationship here. If so, you tell me, is there not -- are we not compromising the -- our intent on the BAMS system if we have a significant line break on the Global Hawk production?

MABUS:

Congressman, I don't believe we in a -- I think I've gotten the Air Force nomenclature correct here. But what the Air Force cancelled as you pointed out was Block 30. The Air Force did not cancel all their Global Hawks. So they have Block 60 still in production.

And because of that and because of our BAMS production it's my understanding that there won't be a production break. It was one of our concerns in terms of BAMS but the way that when the Air force cancelled Block 30 for purely financial reasons, it was because of the way it was being used because of the sensors that was using, the U-2 was simply a more economic way to go.

But with the demand signal for BAMS and demand signal for other Global Hawk airframes and with the numbers that we're going to buy, I think that we don't foresee the per unit cost rising as a result of that decision by the Air force to cancel that one block.

MORAN:

Well, I hope you're right. It's -- do we have time for one more question?

YOUNG:

Yes, you do, sir.

MORAN:

Thank you. Mr. Chairman.

And I address this to Admiral Greenert or Secretary Mabus. According to the GAO once the Flight IIA (ph) retrofit is installed on our destroyer the DDG-53, the Navy will certify that the upgraded Aegis system is mission-ready without validating with live ballistic and cruise missile targets validating that it can perform integrated air and missile defense missions.

So why would the Navy certify a major upgrade to the Aegis system saying that it's combat-ready without testing the system's ability to perform both air and ballistic missile defense.

GREENERT:

I have to take that one for the record (inaudible) because how we certify -- I couldn't tell you right now. So I'd like to lay that down for you and see how we reconcile that.

MORAN:

All right. Well, let me follow-up then. For Flight III of the DDG-51 Restart the Navy will spend at least \$2.2 billion developing a new air and missile defense radar, the AMDR. According to the GAO, the development and integration of the AMDR on the DDG- 51 ships place significant technical challenges that may be difficult and I'm quoting, "to overcome within the Navy's current schedule."

Further, a Navy red team assessment found that the introduction of AMDR in DDG-51 leads to significant risks in the ship's design and a reduced future capacity and could result in design and construction delays and cost growth on the lead ship. So the question is -- and this will be my last question -- given that the DDG-51 is the Navy's primary surface combatant, what assurances can the Navy provide to the subcommittee that the Flight III upgrade can proceed as planned.

MABUS:

I will also get you a far more detailed technical answer, Congressman. But as you know the AMDR radar came off the DDG-1000. It's an incredibly capable radar.

The Navy design team -- acquisition team -- looked at whether we could put the AMDR on the Flight III DDG-51s, it was determined that we could with the current configuration and that that would be no cost growth for the -- for the planned cost of the lead ship and then the other ships in Flight III.

It was a Navy red team that as you pointed out came up with some concerns. Since that red team has met I believe those concerns have been met by the design team. That was the reason the red team was put together. That's the reason that we wanted to identify if there were any risks.

But in the briefings that I've received about whether the Flight III is on schedule and on track to have the budget that I believe the first Flight III ship will start in F.Y. '16. The information that I have is that it is, but I will get you as I said a far more detailed engineering analysis of why we believe that.

MORAN:

I think that would be helpful. Just to respond to the concern raised by the GAO, you may have already fixed that as you're saying so just to keep us up-to-date on it would be fine.

YOUNG:

OK. Thank you, Mr. Moran.

MORAN:

Mr. Chair.

YOUNG:

The patient Mr. Cole will be next and following that the chairman will take his turn. (Inaudible) we're getting close to the end of this hearing.

COLE:

Thank you, Mr. Chairman. I might be at the end of the chow line but you always make sure I get something to eat. So I appreciate that very much.

And, gentlemen, thank you very much for your service. I appreciate it and I'm -- you may or may not agree but I'm not especially happy with the reductions that we're having to make. But I think you've done it in about as thorough and thoughtful a way that could possibly be done.

I really do mean that. I think this is clearly the whole defense budget in your respective components. There's been a great deal of careful thought about what to do under difficult budget circumstances. I laud you for that.

I want to focus -- Mr. Calvert anticipated some of my questions about what some of our friends are doing. I'd like to ask you, you've told us where you think we're going to be in 5 and 10 years looking forward as best as you can.

Now what do you think are sort of near peer competitors are going to be, the Chinese in the Pacific, the Russians in the Atlantic. What do you anticipate? You clearly didn't make your plans in a vacuum. You've got some idea where they're headed.

MABUS:

The Chinese are clearly investing a lot in maritime capabilities. But they start from a -- I would say a large fleet, the numbers of highly capable ships is fairly small.

And given where we are and where they are I'm very comfortable that we will be able to meet any sort of challenge. And I won't -- I won't constrain that to the Chinese that may come our way, that the types of ships we're building, the number of ships we're building, where they're going to be deployed, the persistent presence that we will have.

The fact that our -- I think our secret weapon is our sailors and marines are just the best trained, highly-skilled of any military force on earth that given all those things that with this new defense strategy, with the challenges we face around the world in a global manner that we can make any of those. And as importantly, I think, these platforms and these people will be flexible, will be agile because the only certainty that we face is uncertainty.

And we don't know what the next thing is going to come over the horizon. And we just have to make sure that we have platforms that are flexible enough and people that are well trained and innovative enough to meet whatever that new thing is.

COLE:

If I could ask you a couple of specific questions particularly about the western pacific. The first one would be give us sort of an update on the movement from Okinawa to Guam, where we at on that, obviously Japan (inaudible) intervening situation that's bound (ph) both political and obviously much more important (inaudible) of a natural disaster that's going to undoubtedly impact the timetable and the discussions.

And then second, I was recently had the privilege with a number of members of this committee to travel in the region. I have not been there for many years. I've had a couple of observations, first was I haven't been that welcome in a long time any place I've gone. I mean, they really are anxious to see a strong American presence in the area.

And obviously a great deal of concern about the South China Sea and the Chinese assertions of territorial waters in that area. But one of the countries we stopped at was the Philippines. And this may not actually be a fair question for you but if you got an opinion, I'd like to get it. They were -- had made request in terms of, number one, they wanted -- they're very interested in even easier access to their facilities and that sort of rotating presence. Two, they were interested -- and I think we're giving them a Coast Guard cutter, they were interested in getting another one or -- and building up to two or three. And third, they were very interested, they're army heavy and really sort of air and maybe we can be interested in a sort of F-16 squadron somewhere down below and that would be a considerable investment on our part and we're not in a position to finance all of those things. So if you've got some thoughts on those things, I'd very much appreciate it.

MABUS:

On the movement of Marines in the Western Pacific, first, as you know, we're in discussions with the Japanese government and a couple of things have come out of those discussions already. One is that we're de-linking the move of some Marines off of Okinawa with the building of the Futenma replacement facility. Now, as a result of that, Marine air units will have access to Futenma until a new replacement facility is built.

Secondly, the number of Marines going to Guam will be somewhat less than 5,000. Part will be permanent change of station, part will be rotational there. As you noted, in Australia, we're going to have 2,500 rotational Marines going in and out of Darwin.

I think the important number there is that when all the moves are made, there will be as many -- at least as many Marines west of the International Date Line as we have today. So the focus on the Western Pacific from the Marines standpoint will be -- will be there absolutely.

In terms of the Philippines, I can't give you a specific response to your question, only to say that I have two -- I've had two personal reactions. One, is that as I travel through the region and the esteem with which the United States is held and our keeping sea lanes open for everybody, our protection of the world economic system, because of that and how much that is valued by the countries in that region; and secondly, as someone who served in the Navy when Subic Bay in the Philippines was a huge base and then watched as the Navy left, the fact that it has come back around is an interesting development to me.

And I'd -- I'd defer to Admiral Greenert, though, in terms of any specifics he'd like to add about the Philippines.

GREENERT:

Thank you.

Today, we operate about once a month out of Clark Airbase, it used to be Clark Air Force Base with the Philippines as partner and we go out flying in what we call "maritime domain awareness flight". So -- so there is activity there. We had base support, we operate together in the Southern Philippine archipelago for counter-terrorism. We've been doing this since 2002. We have -- it's called JSOTF, Joint Special Operations Task Force.

So, you know, it's about ramping up the level. It's a long-term commitment, though, I think you understand for us to consider going and basing against taskforce agreements and it takes time to get the infrastructure in place. And I think that's the question, how long are we willing to make the commitment.

COLE:

Thank you very much.

Mr. Chairman, thank you.

YOUNG:

Thank you, Mr. Cole.

I hope that you all noticed this afternoon that the members of this subcommittee are really interested and dedicated to their responsibility under the Constitution to the national defense. I'm very proud of this subcommittee, all of the members are very heavily involved in what our responsibilities are.

And I want to take a few minutes. A few years back, I have the privilege of being invited to visit with a new president who had not taken office yet and I was invited, Jerry Lewis was invited, and several others. And when it came time for my presentation as chairman of the Appropriations Committee at the time, and I said to the president-elect, when you're dealing with national defense, you should not decide about the investment based on politics, based on a number that sounds really good.

We've got to make that decision based on what is the threat to the United States of America and to the forces that defend our country. And in a very respectful way, he reminded me that he was the president and that I -- he probably knew how to handle that job. Nevertheless, I still have that concern.

And in an earlier hearing today I had with the (inaudible) subcommittee, we talked about a budget-driven -- budgets or mission- driven budgets. I am -- and frankly, I'm somewhat concerned and I realize that in today's world, everybody wants to cut the budget, not necessarily the defense budget but to cut spending, and I think that is a good mantra and I think that I'm part of that.

But when it comes to national defense, we have got to make the decisions that are based on the real threat, because the threat is not going to change because of some number we pick out of the air. So as we go through the process, that is always on the back of my mind but now, that leads me up to my real question.

The world is basically in turmoil, we have Navy facilities, we have Marines and we have Army, and we have Air Force that are deployed around different parts of the world, where there is problems, where there are protesters, where there are riots, where there are governments killing their people, where there are people overthrowing their governments. And I am specifically thinking about Bahrain, where the headquarters of our fleet in Bahrain and there's been

considerable unrest in Bahrain which is a bit of a surprise because they've always been very, very stable.

How are we being affected by all of these uprisings, by all of these protests, by all of these turmoil that's taking place in the world? Are our troops safe? Are there -- do they have the ability to do whatever they need to do to carry out the mission or are shortcutting them for any reason at all?

I am not suggesting we are, I'm asking the question.

MABUS:

I'll answer these in a little bit of reverse order.

I think that this budget that we have put in does not shortcut anybody in terms of the things they need to accomplish the mission that the country has asked our sailors and Marines to do. And I do think that this was a strategy-driven budget. And as I said, I'll leave it to Mr. Bonner, instead of a budget-driven strategy.

But in terms of your specific question about where we have assets, we've talked about some of the places and a lot of the places we have naval and Marines assets are some of the most stable places on earth -- Japan, soon to be Singapore, Spain, Italy, that are -- that our assets there are welcome and are -- are very secure.

In Bahrain, we watched as you did last year when the protest against the government of Bahrain. Never at one point in that protest did any of the protesters raise the 5th Fleet presence there. We never had travel restrictions, for example, on our sailors or their families in Bahrain. We kept the school open in Bahrain almost the entire time.

But we obviously keep a close eye on something like that. February 14th was the anniversary of the start of those protests and there was some activity but not much in Bahrain on that day, on that anniversary which was being watched very carefully.

I had a meeting this week with the commander of the 5th Fleet, Admiral Mark Fox, and asked him and he said that from his vantage point in Bahrain, that our assets there, and most importantly, our people there, he thought were very safe, very secure. And that our ability to operate out of there was -- was, today, which is all you can look at, guaranteed and secure.

YOUNG:

Mr. Secretary, this committee is going to be as helpful as we can to help you get the most for the dollar and to provide whatever it is that we need to provide to face whatever threat it might be. So we would be in a support role. We might think you're not spending enough here, there or somewhere else, that being the case, we'll talk to you about it, but we're in this together and we're going to meet our responsibility as you always have, and the military always has.

And so -- and we appreciate this hearing, this has been very good, the questions have been interesting, your responses have been very interesting and very transparent and we appreciate -- we appreciate all of that.

So we want to thank you very much, and before we close, Mr. Dicks has the last word.

DICKS:

Thank you, Mr. Chairman. And I completely concur to your support for what the Navy Marine Corps is doing. Admiral Greenert, that the O&M budget includes more than \$900 million to

decommission the Enterprise. It seems highly unusual to use a one-year appropriation for a five-year contract. How common is it for the Navy to obligate one-year funding for a multi-year contract? Is the contract to decommission the Enterprise considered separable?

And so can you fill us in on this? I mean, could we, if Congress gave you the authority, could you -- would it be in your interest to do a multi-year -- incremental funding I guess would be the more appropriate word?

GREENERT:

I think it would. I need to get you a better on it. OK, what is the long range plan? That as you well know, we've got -- this workforce will go up while we decommission the Enterprise and then it will go back down because she is a project, she has a beginning, she has an end, almost like a commissioning in a strange way.

So let me get back to you on that but...

(CROSS-TALK)

DICKS:

You know, the Enterprise, I've had a long time working, going back to Admiral Rickover, who made a call to me one day and he said, "Norm, you go down to that shipyard in Grumman and you tell those people down there that I'm mad as hell and I need that Enterprise out of there." And the Enterprise has eight reactors, so it's very -- it's the only one of our carriers that has eight reactors. They're going to be taken out to Norfolk and then it's going to be taken around to Puget Sound shipyard to be taken apart. And you know, we have -- also, we have taken apart all the submarines over the years.

But I think this -- take a look at this, if there's somebody in Congress, we could work with the authorizers, if doing this incrementally would help your budget, I don't see any reason why we shouldn't try that, at least take a look at that.

GREENERT:

As usual, your thinking ahead for us and I thank you very much for that opportunity.

DICKS:

Thank you very much.

YOUNG:

OK, Mr. Dicks, thank your comment about Admiral Rickover because he used to come and see me, he is always mad at me.

(LAUGHTER)

YOUNG:

Mr. Lewis?

LEWIS:

Mr. Chairman, he wasn't mad at you as a matter of fact but, Mr. Chairman, thank you for having this hearing. It's very valuable for all of us. But one of the items I wanted to just mention to you,

these great leaders that seemed to me to be an underlying theme asked by a number of members, Mr. Frelinghuysen, Mr. Calvert, Mr. Crenshaw, the chairman himself, a 600-ship Navy down to - the goal is 313. Those ships are better used -- your answer is they're decreasing numbers -- they're much better used and effective if they are out there where we may have to use them. In the meantime, several questions from members said what about those alternative demands that seemed to be ever present -- pirates, drugs, you know, et cetera? I have no idea how you'll readjust those priorities but these ships with shrinking numbers have got to be where America needs to be able to protect itself and its interest and you need to share with us your concerns that lie there. I didn't hear very much of that today, Mr. Chairman, but a very good hearing and I appreciate it.

YOUNG:

Mr. Rothman, do you have any last word?

Mr. Visclosky, do you have a last word?

VISCLOSKY:

Thank you, Mr. Chairman.

Just a couple of things, gentlemen, one, on the leasing of foreign-built ships, I would want to thank you. In 2007, 51 percent of your sea lift capacity was foreign-built. Today, it is 43 percent.

I will simply state for the record that since we are the United States Navy, I would hope that we could work our way to have domestically-built ships exclusively to use for sea lift.

Secondly, I have an interest, as you answer for the record, of the justification for that two-year slippage on the submarine program, we had touched on it earlier.

And finally, in following up on Mr. Dicks, for the record, why does it take five years to take a ship apart? We won World War II in four years, it takes five years to take a ship apart for the record.

Thank you, Mr. Chairman.

DICKS:

It's a five-year contract.

Mr. Chairman, can I just say one final word?

YOUNG:

That's your second last word.

(LAUGHTER)

DICKS:

This is very quick, though.

I want you to -- you know, I'm glad you remember that we added the money for the Mobile Landing Platform a couple of years ago and Mr. Lewis is very concerned about that. And that I saw your plan for that, that looks very exciting and it saved you a lot of money according to the experts.

Thank you.

MABUS:

Mr. Chairman, if I could have one last word? I just want to thank the committee to -- as I said, we know where the ability to build these ships and aircraft and to provide for the sailors and Marines that -- that serve with us and we deeply, deeply appreciate it.

Thank you.

YOUNG:

Thank you very much for a good hearing.

Mr. Cole, do you have any -- a last word?

No more last words?

(OFF-MIKE)

YOUNG:

The committee is recessed until next week.